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OF COUNSEL
URBAN A. LESTER

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

December 30, 1996

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are two (2) copies of a Memorandum of Lease Agreement, dated as of December 16, 1996, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Lessor: MDFC Equipment Leasing Corporation
4060 Lakewood Blvd., 6th Floor
Long Beach, California 90808

Lessee: Level Energy Transportation & Storage, Inc.
1900 Holland Road
Brook Park, Ohio 44142

A description of the railroad equipment covered by the enclosed document is:

fifty (50) railroad tankcars bearing LEVX reporting marks and road numbers set forth on Exhibit A attached to the Lease Agreement.

RECEIVED
SURFACE TRANSPORTATION
BOARD
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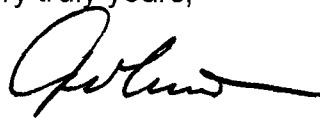
County of Santa Clara

Mr. Vernon A. Williams
December 30, 1996
Page 2

Also enclosed is a check in the amount of \$22 00 payable to the order of the
Surface Transportation Board covering the required recordation fee

Kindly return stamped copies of the enclosed document to the undersigned

Very truly yours,

A handwritten signature in black ink, appearing to read "R. Alvord", with a long horizontal flourish extending to the right.

Robert W Alvord

RWA/bg
Enclosures

2043 2
DEC 30 1996 3 02 PM

Memorandum of Lease Agreement for 50 tank cars ("Lease Agreement") made and entered into as of December 16, 1996 by and between MDFC Equipment Leasing Corporation, a Delaware corporation, ("Lessor") and Level Energy Transportation & Storage, Inc., a Texas corporation, ("Lessee").

W I T N E S S E T H :

1. Lessor has agreed to furnish to Lessee, and the Lessee has agreed to lease from Lessor fifty (50) tank cars bearing the railroad reporting markings set forth on Exhibit A.
2. The Lease Agreement shall be effective as of the date first set forth hereinabove and shall be subject to the Lease Term, as defined in the Lease Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed and sealed by their respective corporate officers as of the date and year first above written.

MDFC EQUIPMENT LEASING
CORPORATION

By: 

LEVEL ENERGY TRANSPORTATION &
STORAGE, INC.

By: _____

Memorandum of Lease Agreement for 50 tank cars ("Lease Agreement") made and entered into as of December 16, 1996 by and between MDFC Equipment Leasing Corporation, a Delaware corporation, ("Lessor") and Level Energy Transportation & Storage, Inc., a Texas corporation, ("Lessee").

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MDFC EQUIPMENT LEASING
CORPORATION

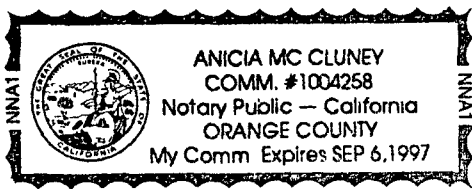
By: _____

LEVEL ENERGY TRANSPORTATION &
STORAGE, INC.

By:  _____

COUNTY OF LOS ANGELES)

James C. Hammersmith, to me personally known, who being by me duly sworn, says that he is the Director - Operations of MDFC Equipment Leasing Corporation, that the foregoing instrument was signed on behalf of said corporation, and he acknowledged that the execution of said instrument was his free act and deed.



Tricia McChesney
NOTARY PUBLIC
1999

My commission expires: Sept. 6, 1997

COUNTY OF)

On this ____ day of December, 1996, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is the _____ of Level Energy Transportation & Storage, Inc., that the foregoing instrument was signed on behalf of said corporation, and he acknowledged that the execution of said instrument was his free act and deed.

NOTARY PUBLIC

My commission expires:

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)

On this ____ day of December, 1996, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is the _____ of MDFC Equipment Leasing Corporation, that the foregoing instrument was signed on behalf of said corporation, and he acknowledged that the execution of said instrument was his free act and deed.

NOTARY PUBLIC

My commission expires:

STATE OF OHIO)
)
COUNTY OF CUYAHOGA)

On this 27th day of December, 1996, before me personally appeared Walter Himmelman, to me personally known, who being by me duly sworn, says that he is the Chief Financial Officer of Level Energy Transportation & Storage, Inc., that the foregoing instrument was signed on behalf of said corporation, and he acknowledged that the execution of said instrument was his free act and deed.

L. H. Mae

NOTARY PUBLIC

My commission expires:

LOUIS H. RICE, Attorney
NOTARY PUBLIC - STATE OF OHIO
My commission has no expiration date
Section 147.03 R.C.

Exhibit A

EQUIPMENT DESCRIPTION, RAILROAD CARS LEASED BY LEVEL
ENERGY TRANSPORTATION & STORAGE, INC. FROM MDFC
EQUIPMENT LEASING CORPORATION.

A. Fifty (50) - new railroad tankcars built during 1996 by Trinity.

<u>Built</u>	<u>#</u>	<u>Built</u>	<u>#</u>	<u>Built</u>	<u>#</u>
1996	LEVX001001	1996	LEVX001018	1996	LEVX001034
1996	LEVX001002	1996	LEVX001019	1996	LEVX001035
1996	LEVX001003	1996	LEVX001020	1996	LEVX001036
1996	LEVX001004	1996	LEVX001021	1996	LEVX001037
1996	LEVX001005	1996	LEVX001022	1996	LEVX001038
1996	LEVX001006	1996	LEVX001023	1996	LEVX001039
1996	LEVX001007	1996	LEVX001024	1996	LEVX001040
1996	LEVX001008	1996	LEVX001025	1996	LEVX001041
1996	LEVX001009	1996	LEVX001026	1996	LEVX001042
1996	LEVX001010	1996	LEVX001027	1996	LEVX001043
1996	LEVX001011	1996	LEVX001028	1996	LEVX001044
1996	LEVX001012	1996	LEVX001029	1996	LEVX001045
1996	LEVX001013	1996	LEVX001030	1996	LEVX001046
1996	LEVX001014	1996	LEVX001031	1996	LEVX001047
1996	LEVX001015	1996	LEVX001032	1996	LEVX001048
1996	LEVX001016	1996	LEVX001033	1996	LEVX001049
1996	LEVX001017			1996	LEVX001050

Original Cost \$84,420.00 each